P 19342

Q. 35410

SECURITIES AND EXCHANGE COMMISSION

M92-2247

Washington, D.C. 205

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Form 10-Q

10-11-82

QUARTERLY REPORT UNDER SECTION 13 OR 15 (d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For Quarter Ended January 31, 1992

Commission File No. 2-98314-W

MEDICAL ADVISORY SYSTEMS, INC.
(Exact name of registrant as specified in its charter)

Delaware	52-1233960
(State or other jurisdiction of incorporated or organization)	(I.R.S. Employer Identification No.)

Box 193, Pennsylvania Avenue Ext., Owings, Maryland	20736
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (301) 855-8070

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No ___

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

3,776,933 shares of Common Stock ($0.005 par value per share)
outstanding at January 31, 1991

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MEDICAL ADVISORY SYSTEMS, INC.

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MEDICAL ADVISORY SYSTEMS, INC.

CONSOLIDATED BALANCE SHEET

	JAN 31 1992	OCT 31 1991
	UNAUDITED (NOTE-A)	
ASSETS		
CURRENT ASSETS:		
Cash	$ 11,231	$ 53,926
Receivable, (net)	549,327	497,393
Inventory	144,870	124,237
Prepaid expenses	23,692	22,401
TOTAL CURRENT ASSETS	729,120	697,957
PROPERTY AND EQUIPMENT, NET	298,469	298,587
OTHER ASSETS:		
Debenture issue costs, net of amortization of $27,112 and $11,356 respectively	35,449	39,388
Deposits and other	14,131	14,131
TOTAL ASSETS	$1,077,169	$1,050,063

MEDICAL ADVISORY SYSTEMS, INC.

CONSOLIDATED BALANCE SHEET

	JAN 31 1992	OCT 31 1991
	UNAUDITED (NOTE-A)	
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Notes Payable	$ 8,482	$ 8,482
Current Maturities LT Debt	68,830	72,585
Accounts payable & accrued expenses	546,555	524,118
Deferred income	48,557	48,889
TOTAL CURRENT LIABILITIES	672,425	654,074
Long-term liabilities to related parties	2,614	4,114
Debentures and long-term liabilities to banks and others	938,020	950,831
TOTAL LIABILITIES	1,613,058	1,609,019
SHAREHOLDERS'EQUITY (DEFICIT):		
Common Stock, $0.005 par value - Authorized: 6,000,000 shares Issued: 3,776,873 shares	19,753	19,753
Convertible Preferred Stock, $1.75 par value Authorized: 1,000,000 shares Issued: none	0	0
Additional capital	3,819,440	3,819,440
Accumulated deficit	(4,331,499)	(4,354,566)
Treasury Stock at Cost - 65,940 shares	(43,583)	(43,583)
TOTAL SHAREHOLDER EQUITY	(535,889)	(558,956)
TOTAL LIABILITIES AND EQUITY	$1,077,169	$1,050,063

MEDICAL ADVISORY SYSTEMS, INC.

CONSOLIDATED STATEMENT OF OPERATIONS
UNAUDITED

	Three Months Ended Jan 31 1991	1990
Revenues:		
Pharmaceutical sales	$ 515,968	$ 489,301
Program services	296,381	270,924
Clinic services	23,655	49,032
Training	20,998	0
Other revenue	15,404	13,996
	872,406	822,983
Costs and expenses:		
Pharmaceutical cost of goods	382,638	336,924
Medical professional service	81,699	85,416
Clinic system	16,100	38,388
Training	11,163	0
Salaries and wages	126,627	112,647
Other selling, general and administrative expenses	189,115	153,809
Depreciation and amortization	12,959	12,042
Interest, net	29,039	27,909
	849,340	767,085
Net profit (loss)	$ 23,066	$ 55,898
Earnings per share	.01	.01
Outstanding shares used to calculate earnings per share	3,776,933	3,776,933

MEDICAL ADVISORY SYSTEMS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
UNAUDITED

	Three Months Ended Jan 31 1992	1991
Cash flows from operating activities:		
Net profit (loss)	$ 23,067	$ 55,908
Adjustments to reconcile net profit (loss) to net cash used by operating activities:		
Depreciation and amortization	12,959	12,042
Decrease (increase) in:		
Accounts Receivable	(51,934)	(117,159)
Inventory	(20,633)	(27,916)
Prepaid expenses	(1,291)	8,590
Due from related parties	0	0
Deposits and other	0	1,249
Increase (decrease) in:		
Bank overdraft, accounts payable and accrued expenses	22,437	8,222
Deferred income	(332)	(2,586)
Net cash used for operating activities	(15,727)	(61,650)
Cash flows from investing activities:		
Capital expenditures	(8,902)	(1,000)
Disposals of property and equipment	0	0
Net cash provided by (used in) investing activities	(8,902)	(1,000)
Cash flows from financing activities		
Proceeds of loans from banks, related parties and others		0
Repayment of loans to banks and related parties	(18,066)	(7,055)
Debenture issue costs	0	0
Capital contributions	0	0
Issuance of common stock	0	0
Net cash provided by financing activities	(18,066)	(7,055)
Net increase (decrease) in cash	(42,695)	(69,705)
Cash at beginning of period	53,926	78,609
Cash at end of period	$ 11,231	$ 8,904

MEDICAL ADVISORY SYSTEMS, INC.

NOTES TO CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

NOTE A - BASIS OF PRESENTATION

The accompanying unaudited condensed financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions for Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three-month period ended January 31, 1992 are not necessarily indicative of the results that may be expected for the year ended October 31, 1992.

Revenues from medical advice were $234,500 in the first quarter of FY 1991, 8% lower and 9% higher than revenues reported from medical advice for the same periods in FY 1991 and FY 1990, respectively. The decrease from FY 1991 was due primarily to the deactivation of the Ready Reserve Fleet vessels deployed during the Persian Gulf War.

Revenues from pharmaceutical sales to the Maritime customers were $113,587 in the first quarter of FY 1992, a 43% decrease and 52% increase over revenue from sales of pharmaceuticals to the Maritime during the same periods in FY 1991 and FY 1990, respectively. This decrease from FY 1991 was due primarily to the deactivation of the Ready Reserve Fleet vessels deployed during the Persian Gulf War.

Revenues from the sale of pharmaceuticals to the physician market were $402,381 during the first quarter of FY 1992, an increase from the sale of pharmaceuticals to the physician market during the same periods in FY 1991 and FY 1990, of 39% and 19% respectively. Management believes the increase from FY 1991 is due to an overall increase in physician demand and the expansion of the pharmaceutical sales force.

The Company expanded a Response to Illness at Sea Training Program which provided training revenues of $20,998 during the first quarter of FY 1992. During September 1990, Emergency & Safety Programs, Inc. (ESP), a wholly owned subsidiary which provided training was repurchased by its former owner. The company did not report training revenues during the first quarter of FY 1991. Training revenues of $7,101 were reported during the first quarter of FY 1990.

During the third quarter of FY 1990, the Company began providing a travel assistance service to European travel companies. The Company reported $61,881 in revenues from travel assistance during the first quarter of FY 1992, a 228% increase over revenues from travel assistance during the same period in FY 1991. Management believes the increase is due primarily to an increase in tourist travel since the resolution of the Persian Gulf War.

PART II - OTHER INFORMATION

Item 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits. None

(b) Reports on Form 8-K. None

MEDICAL ADVISORY SYSTEMS, INC.

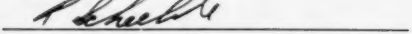
SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

MEDICAL ADVISORY SYSTEMS, INC.

(Registrant)

Date: March 18, 1992



Ronald G. Scheible
President & Chief Financial Officer